

Washington, DC - Rep. Linda Sánchez (D-CA), a co-sponsor of the Helping Families Save Their Homes Act, spoke on the floor of the House of Representatives today to urge her colleagues on both sides of the aisle to support homeowners and neighborhoods by supporting this legislation.

“For too many, the American Dream of owning a home has quickly eroded into a nightmare,” said Rep. Linda Sánchez. “The mortgage bankruptcy and loan modification provisions in the Helping Families Save Their Home Act will provide direct help to real American families.”

The Helping Families Save Their Homes Act (H.R. 1106), makes a straightforward change to the law to give homeowners filing for bankruptcy the opportunity to restructure their loans so that they can save their homes from foreclosure just as they can with virtually any other asset, including vacation homes, family farms, and boats. Specifically, the bill would empower bankruptcy judges to modify mortgage terms to help homeowners stay in their homes.

“Southern California has been particularly hit hard by foreclosures,” said Rep. Linda Sánchez. “It is fundamentally unfair that the current bankruptcy code allows for modification for everything from second homes to yachts and private jets, yet not for a debtor’s first home. “In order to get our economy on the path to recovery, we must strengthen our communities by stabilizing the home mortgage market.

In an effort to help the millions of households facing possible foreclosure, the bill includes key incentives to encourage lenders to negotiate affordable mortgages for homeowners who are underwater, at risk of foreclosure, and those nearing bankruptcy. It is expected that the House will complete consideration of the bill next week.

A video of Rep. Linda Sánchez’ speech can be viewed at:
<http://www.youtube.com/user/LindaTSanchez>